



**ASSIGNMENT 2ND SEMESTER : EXPORT ADMINISTRATION II
(EA2)**

STUDY UNITS COVERED : 5 AND 7

DUE DATE : 3.00 p.m. 17 AUGUST 2010

TOTAL MARKS : 100

INSTRUCTIONS TO CANDIDATES FOR COMPLETING AND SUBMITTING ASSIGNMENTS

The complete 'Instructions to Students for Completing and Submitting Assignments' must be collected from any IEX office, or the relevant Student Support Centre, or can be downloaded from the IMM website. It is essential that you study the complete instructions prior to beginning your assignment. The following points highlight only a few important notes:

- 1) You are required to submit ONE assignment per subject.
- 2) The assignment will contribute 20% towards the final examination mark, and the other 80% will be made up from the examination, however, the examination papers will be out of 100%.
- 3) Although your assignment will contribute towards your final examination mark, you do not have to earn credits for admission to the examinations; you are automatically accepted on registering for the exam.
- 4) Number all the pages of your assignment (e.g. page 1 of 4), and write your name and surname, student number and subject at the top of **each** page.
- 5) The IEX requires assignments to be presented in a typed format and on plain A4 paper. This assignment must be completed within a limit of 1500 words, excluding the bibliography.
- 6) A separate assignment cover, which is provided by the IEX, must be attached to the front of each assignment.
- 7) Retain a copy of each assignment before submitting in case the original does not reach the IEX.
- 8) The assignment due date refers to the day up to which assignments will be accepted for marking purposes. The deadline is 3:00 p.m. on 17 August 2010. Late assignments will be accepted, but **25 marks** will be deducted from the maximum mark, if received after 3:00 p.m. on 17 August 2010 and up to 5:00 p.m. the following day, after which no assignments will be accepted.
- 9) If you fail to follow these instructions carefully, the IEX cannot accept responsibility for the return of the assignment. It may even result in your assignment not being marked.

Results will be available on the IEX website, www.iex.co.za, on Friday, 8 October 2010.

SPECIFIC INSTRUCTIONS:

When using your own words, be careful not to change the meaning of established and accepted international terms, and the expressions and jargon of the specific subject in question.

Note 1:

The nature of this subject is highly technical; students are advised to set aside sufficient study time, that is, a solid minimum of 2 hours a day, 6 days a week.

Note 2:

It is assumed that previous learning is in place.

QUESTION 1**[55]**

Attachments 1 – 7 consist of a letter of credit and 5 blank documents, which must be accurately completed and submitted to the bank for Export Trade Products (Pty) Ltd. to receive payment. You are required to complete and collate these five documents, ensuring that they comply in every respect with the conditions and terms of the letter of credit. Reflect at the top on each document the required number stipulated in the L/C.

Additional information

Price of product	:	USD 540 per metric ton
Packing details	:	strapped in bundles of 2 tons
Weight & Volume	:	gross mass 232 300 kg – 214m ³
Shipping marks	:	CI/SING 1/115 up
Invoice no. and date	:	ETP/CI/03156 dated 14.04.2008
Exporter's reference no.	:	ETP01/18/CI-SP
Buyer's reference no.	:	SAS126/08/01
Notify party	:	International Freightbridge Pte Ltd., 70 Shenton Way, Singapore
Vessel & Voyage no.	:	Kuo Chia KU007N
Bill of Lading	:	No. 26131 issued in 4 originals by agent Supreme Shipping P/L and dated shipped on board 20.04.2008
Marine Insurance certificate	:	No. ICG 70085
Notifying & claims settlement party	:	The Chiyoda Marine Insurance Co. Ltd., Singapore

QUESTION 2**[10]**

List the most common discrepancies found in the air waybill when submitted to the bank for payment under an L/C.

QUESTION 3 [10]

In terms of foreign documentary requirements, detail:

- Fumigation in South Africa and abroad
- Quality inspection certificate.

QUESTION 4 [15]

Assume you are selling on a CIP basis (carrier haulage at origin) and that on arrival of the consignment at the foreign destination your buyer discovers that certain items suffered damage in transit. Detail the claims procedures your buyer should follow in terms of the 'Carriers and Bailees Clause' included in all marine insurance policies.

PRESENTATION [10]

ASSIGNMENT TOTAL: 100

Attachment 1

AUTOMATIC ROUTING OF INCOMING MESSAGE

SWIFT MESSAGE : 8213 RECEIVED 12/03/08 TIME : 10.47
 SWIFT OSN : 43222
 SRN REF : 1852 14SINGCHANGXXX
 DATE SENT : 12/03/08 TIME SENT : 16.34
 SENDING BANK : SINGCHANGXXX
 MESSAGE TYPE : 700 ISSUE OF DOCUMENTARY CREDIT
 PRIORITY : NORMAL

27 1/1
 40A IRREVOCABLE
 20 59238/08/43
 31C 10/03/08
 31D 13/05/08 SOUTH AFRICA
 50 CHANGI IMPORTERS (PTE) LTD
 85 ORCHARD ROAD
 SINGAPORE
 59 EXPORT TRADE PRODUCTS (PTY) LTD.
 84 COMMISSIONER STREET
 JOHANNESBURG
 REPUBLIC OF SOUTH AFRICA
 32B USD 124 200
 41A NEDSSZAJJ
 BY NEGOTIATION
 42C 30 DAYS FROM SHIPPED BILL OF LADING DATE
 42A NEDBANK JOHANNESBURG
 43P NOT ALLOWED
 43T NOT ALLOWED
 44A DURBAN
 44B SINGAPORE
 44C 21/04/08
 45A 230 METRIC TONS HOT ROLLED STEEL SHEETS – CIF SINGAPORE
 +SIGNED COMMERCIAL INVOICE IN QUADRUPPLICATE CERTIFYING THAT THE GOODS ARE
 46A IN
 ACCORDANCE WITH CONTRACT NUMBER SAS126 DATED 01/03/08.
 +FULL SET OF CLEAN ON BOARD BILLS OF LADING MARKED FREIGHT PREPAID
 AND CONSIGNED TO ORDER OF CONSIGNOR AND ENDORSED IN BLANK.
 +PACKING LIST IN TRIPLICATE.
 +MARINE INSURANCE POLICY/CERTIFICATE IN DUPLICATE COVERING FULL CIF
 SINGAPORE VALUE PLUS 10% FOR CLAUSES (A) PLUS STRIKES RIOTS AND CIVIL
 COMMOTION CLAUSES ON THE BASIS OF WAREHOUSE TO WAREHOUSE.
 +SEE FIELD 47A
 +ALL DOCUMENTS MUST EVIDENCE L/C NUMBER AND IMPORT LICENCE NUMBER
 47A 1378/126/08.
 +ALL DOCUMENTS MUST BEAR FULL DESCRIPTION OF PRODUCT AND SHIPPING DETAILS.
 71B ALL BANKING CHARGES, COMMISSIONS AND DISCOUNTS INCLUDING REIMBURSEMENT
 CHARGES OUTSIDE SINGAPORE ARE FOR THE ACCOUNT OF THE BENEFICIARY.
 49 WITHOUT
 53A SINGCHANG BANK
 57A NEDBANK, JOHANNESBURG, GAUTENG
 78 ACCEPTANCE COMMISSIONS AND DISCOUNT CHARGES ARE FOR BUYER'S A/C. DRAFTS
 MUST BE MARKED "DRAWN UNDER SINGCHANG BANK, 50 RAFFLES PLACE, SINGAPORE,
 L/C No. 59238/08/43 DATED MARCH 10, 2008" AND SENT TO DRAWEE BANK FOR
 REIMBURSEMENT. ALL DOCUMENTS TO US IN TWO CONSECUTIVE MAILINGS. T/T
 REIMBURSEMENT NOT ALLOWED.
 72 THIS CREDIT IS SUBJECT TO U.C.P. (2007 REVISION) I.C.C. PUBLICATION NO. 600.

*****END OF MESSAGE*****

Attachment 2

DESCRIPTION OF FIELD CODES AND CONTENT

Field Number	Field Content
27	sequence of pages
40A	form of documentary credit
20	documentary credit number
23	reference to pre-advice
31C	date of issue
31D	date and place of expiry
51A	applicant bank
50	applicant
59	beneficiary
32B	currency code, amount
39A	percentage credit amount tolerance
39B	maximum credit covered
39C	additional amounts covered
41A	available with.....by.....
42C	drafts at.....
42A	drawee
42M	mixed payment details
42P	deferred payment details
43P	partshipments
43T	transhipment
44A	loading on board/dispatch/taking in at/from.....
44B	for transportation to
44C	latest date of shipment
44D	shipment period
45A	description of goods and/or services
46A	documents required
47A	additional conditions
71B	charges
48	period of presentation
49	confirmation instructions
53A	reimbursing bank
78	instructions to the paying/accepting/negotiating bank
57A	"advise through" bank
72	sender-to-receiver information

Attachment 3

COMMERCIAL INVOICE				
Exporter		Invoice No. And Date		Exporter's Reference
		Buyer's Reference		
		Consignee		
Notify Party		Country of Origin		Country of Final Destination
Vessel & Voyage No.		Port of Loading		
Port of Discharge		Place of Delivery by On-Carrier		
Terms of Delivery and Payment				
Marks, Nos. And Container No. No and kind of Packages; Description of Goods		Quantity	@	Amount
				Total

Attachment 4

Shipper		BILL OF LADING B/L No.	
Consignee		Albatross Lines (Pty) Limited	
Notify address		56 Main Avenue - Durban	
*Local Vessel	*From	RECEIVED by the carrier in apparent good order and condition unless otherwise stated hereon: PACKAGES AND OR PIECES (Contents and condition of contents, specification, measurement, mass, gauge, brand, countermark, quality or value unknown, any reference in this Bill of Lading to these particulars is for the purpose of calculating freight only) being marked and numbered as under, to be conveyed by the vessels to which transhipment may be made by the route and/or methods of conveyance and subject to the Company's Standard Conditions and special clauses hereinafter mentioned and to be delivered subject to the like conditions and exceptions of this Bill of Lading, all of which constitute the contract of carriage between the shipper and the Albatross Lines (Pty) Ltd - herein called the carrier- at the port of declaration or so near thereto as she may safely get and always lie safely afloat	
Intended vessel	Port of loading	The scope of the voyage is described in clause 4 hereof pre-carriage and/or on-carriage in accordance with clauses 14 and 17 hereof.	
Port of discharge	*Final port of destination(if on-carriage)	Freight payable at	Number of original B/L
Marks & No's	Number and kind of packages : description of goods	Gross mass	Measurement
Total number of packs received by the carrier:		ORIGINAL	
		In accepting this Bill of Lading, the shipper, consignee and/or the owners of the goods and the holder of this bill of lading expressly accepts and agrees to all the stipulations, conditions and exceptions, whether written, printed stamped or lace perforated on the front or back hereof (any local customs or privileges to the contrary notwithstanding) as fully as if they were all signed by the said shipper, consignee, owner or holder. No claim to attach for failure to notify, even if caused by the negligence of the Carrier or his Agents or his servants, nor will the receiver be relieved from any obligation under this Bill of Lading if a party to be notified is mentioned here. In witness thereof the Carrier or his agent has signed the number of original Bills of Lading stated above, all of this tenor and date. One Bill of Lading duly endorsed to be given up in exchange for the goods or for a Delivery Order if required, upon which the other s shall stand void.	
		PLACE AND DATE OF ISSUE	
		FOR THE CARRIER:	

Attachment 5

CIC INSURANCE	Co-operative Insurance Company Limited (Reg. No. 66/10637/06) Head Office : International Insurance House, 108, Anderson Street, Johannesburg, 2001.		
CERTIFICATE NO.			
This is to certify that CO-OPERATIVE INSURANCE COMPANY LIMITED has insured under an Open Policy the goods specified below, valued at sum insured, for the insured transit and on the conditions stated in this certificate.			
INSURED:			
Precarriage by	Place of receipt by Pre-Carrier	Risk to attach at	
Vessel/Aircraft etc	Port of Loading	Transshipment (if any)	: Port : Vessel
Port of Discharge	Place of Delivery by On-Carrier	Risk to terminate at	Currency and Value Insured
Marks, Nos. And Container No. No. And Kind of Packages/Description of Goods		Amount in words	
		<p>Claims Procedure</p> <p>In the event of loss or damage for which the Company may be liable under this certificate immediate notice must be given to :-</p> <p>Claims payable at:-</p> <p>by:-</p>	
Claims to be adjusted according to the conditions of the Policy which contains, inter alia, the following clauses :-			
Notwithstanding anything contained herein to the contrary the liability under this policy in respect of any destruction of or damage to the subject matter of this policy shall not exceed its rateable proportion having regard to other insurances whether Marine or Fire and whether or not such other insurances are exempted from contributing either by the existence of this policy or any other			
Signed on behalf of the Company			
Examined		Date	
This Certificate represents and takes the place of the original Policy and conveys, subject to the terms of that Policy, all the rights of the original Policy-Holder (for the purpose of collecting claims) as of the property insured was conveyed by a Special Policy direct to the holder of this Certificate			
Original - White	Insured's Copy - Blue	Broker's Copy - Yellow	Freight Forwarder's Copy - Pink
			Company's Copy – Green

Attachment 6

PACKING LIST				
Exporter				
	Invoice No. And Date	Exporter's Reference		
	Buyer's Reference			
Consignee				
Marks. Nos. And Container No. No and kind of Packages; Description of Goods	Quantity	Nett Mass (Kg)	Gross Mass (Kg)	C.B.M.
		Total	Total	Total

Attachment 7

For _____	Date _____
At _____	pay this _____ of Exchange
	to the Order of

	_____ for Value received
To _____	

For _____	Date _____
At _____	pay this _____ of Exchange
	to the Order of

	_____ for Value received
To _____	

